

1           A     The installation is the same with both of them.  
2     I'd say it's probably included.

3           Q     I believe you testified yesterday in response to a  
4     question from your counsel, that trying to obtain a loan to  
5     raise the funds to build and operate the management  
6     agreement stations yourself, was an option.

7                     My question is, did you ever attempt to obtain a  
8     loan for the purposes of building and operating the  
9     management agreement stations yourself?

10          A     I have -- I could have done it.  It's just a  
11     matter of --

12                     JUDGE FRYSIK:  Answer the question.  Did you?

13                     THE WITNESS:  No.

14                     BY MR. SCHAUBLE:

15          Q     You testified in response to a question that you  
16     believed your deal with Mr. Kay was a good deal for you.  
17     Correct?

18          A     Yes.

19          Q     Isn't it true that, at least one of the reasons it  
20     was a good deal for you is that you had no financial risk  
21     under your agreement?

22          A     Very little.

23                     JUDGE FRYSIK:  I did not hear your response.

24                     THE WITNESS:  Very little.

25

1 BY MR. SCHAUBLE:

2 Q In fact, Mr. Kay had agreed to pay all the  
3 expenses in connection with the management agreement  
4 stations. Correct?

5 A Yes.

6 Q You testified today about how selecting the  
7 equipment to be used in connection with these repeater  
8 stations can be important. Is it correct that the equipment  
9 for the management agreement stations came from Mr. Kay?

10 A That was our agreement, yes.

11 Q Is it correct that he had a warehouse of equipment  
12 and the equipment for the management agreement stations came  
13 from that warehouse?

14 A I think he bought a lot of the equipment to do it.  
15 I can't say that all the equipment was there at the point in  
16 time. I think the equipment was purchased as needed.  
17 Certainly, spare parts and supplies for the stations always  
18 on hand.

19 JUDGE FRYSIAK: Well, whatever equipment he had  
20 was his own. Is that right?

21 THE WITNESS: Yes.

22 BY MR. SCHAUBLE:

23 Q You testified today in response to a question  
24 that, at the time you entered into a written management  
25 agreement, you were satisfied with the way Mr. Kay was

1 treating you pursuant to your oral agreement. Correct?

2 A Yes.

3 Q Were you convinced that Mr. Kay was treating the  
4 customers on the management agreement station the same as  
5 customers on stations he owned?

6 A Sure.

7 Q Were you convinced that Mr. Kay was not  
8 discriminating against your stations when deciding whether  
9 to place a customer on one of his stations or on one of the  
10 management agreement stations?

11 A Yes.

12 Q You testified at some length about the tax  
13 records. Please turn your attention, Mr. Sobel, to WTB  
14 Exhibit 26.

15 Is it correct in your earlier testimony that, with  
16 respect to the \$20,500 you received in connection with the  
17 sale of the station, you received that money either in 1995  
18 or 1996?

19 A Approximately. Yes.

20 Q You would have reported that money on your tax  
21 return the year it was received?

22 A Yeah. In fact, it was '96 as why I made  
23 substantially more money than I made the prior year.

24 Q Turn to WTB Exhibit 27, which is the 1099 for  
25 1996. Is it correct that that 1099 does not reflect the

1     \$20,500 you received in connection with the sale of the  
2     station?

3           A     I did not receive the money from James Kay or his  
4     businesses.

5           JUDGE FRYSIAK: Repeat your response. I do not  
6     think I got it all.

7           THE WITNESS: I did not receive the money from  
8     James Kay or his businesses.

9           BY MR. SCHAUBLE:

10          Q     Did you receive the money directly from Mr.  
11     Matson?

12          A     Yes.

13          Q     Is it correct that under the management agreement,  
14     Mr. Kay could have purchased the station for \$500?

15          A     Essentially, yes.

16          Q     Is it correct that any money you received over the  
17     \$500 was received with the approval of James Kay?

18          A     Not necessarily, but it could have been done that  
19     way.

20          Q     Is it correct, Mr. Sobel, that Mr. Kay referred  
21     customers to you from time to time?

22          A     Yes.

23          Q     You received money from those customers for  
24     performing services for them?

25          A     Yes.

1 Q That money would be reflected on tax returns you  
2 file with the IRS?

3 A Of course.

4 Q Would it be fair to say that indirectly, that  
5 money could be attributable to James Kay?

6 A Or his salespeople, yeah.

7 Q How frequently does Mr. Kay or his salespeople  
8 refer customers to you?

9 A Just last year, I think I've gotten three or four.

10 Q How much income did you receive from those  
11 customers?

12 A Their service ranged from \$25 to \$35 a month,  
13 times three or four.

14 Q Mr. Sobel, when was the first time you provided a  
15 copy of either management agreement to the Commission?

16 A That I provided?

17 Q Yes.

18 A In reference to the Commission's request for  
19 information under 308(b).

20 Q Do you remember when you provided that, in  
21 connection with the 308(b) letter?

22 A The date? No. I don't recall offhand. If you  
23 show me the letter, then I'd say that that would be the  
24 date.

25 MR. KELLER: I believe it will be in Sobel Exhibit

1 6 somewhere.

2 MR. SCHAUBLE: Counsel will stipulate to referring  
3 to Attachment 10 of Exhibit 6, that the date was July 3,  
4 1996?

5 MR. KELLER: It is actually Bates Stamp Page 39 of  
6 the exhibit. Yes. July 3, 1996.

7 MR. SCHAUBLE: No further questions, Your Honor.

8 JUDGE FRYSIK: All right.

9 MR. KELLER: Just a few for me, Your Honor.

10 RECROSS EXAMINATION

11 BY MR. KELLER:

12 Q Mr. Sobel, you just testified that you were not  
13 concerned that Mr. Kay was discriminating against your  
14 managed stations, in terms of where to place customers that  
15 might come in to him.

16 Is it not true that you were frequently involved  
17 in that decision-making process as well?

18 A Yes.

19 JUDGE FRYSIK: What do you mean by that?

20 THE WITNESS: The selection of frequencies is  
21 something that we had a list, and we can put people where we  
22 think is best for the customers. It's more customer driven  
23 than whether they are mine or his.

24 BY MR. KELLER:

25 Q I know we went over this in the depositions, but

1 they are not in the record at this time. So, perhaps, could  
2 you just explain the process of what happens when a customer  
3 comes in, and how you choose which repeaters a customer may  
4 go on.

5 A It's mostly driven by the customer itself. What  
6 type of business that they're in. We consider what  
7 frequencies are available for loading. As to how busy they  
8 already are. As other competitors would be competitive to  
9 that business, as well as some frequencies have very, very  
10 active users on them. We don't want to put two very active  
11 users together. Just a lot of consideration as to where you  
12 put a customer. The idea here is to make the customer  
13 happy. If you don't make the customer happy, they'll go  
14 someplace else.

15 Q You are aware of and involved in the process?

16 A Of course.

17 Q Not only sometimes the selection of customers, but  
18 always the activation of the customers?

19 A Of course.

20 JUDGE FRYSIK: But I still do not understand the  
21 process. Is this only in regards to customers that Mr. Kay  
22 thought might be on your stations? Or is this every  
23 customer that he comes in contact with?

24 THE WITNESS: Every customer. We consider  
25 where --

1 JUDGE FRYSIK: You have an input as to what goes  
2 on his stations. Is that it?

3 THE WITNESS: To some degree. I mean, he can  
4 overrule me on his stations.

5 BY MR. KELLER:

6 Q Well, let me explain it this way. Mr. Kay has a  
7 fairly large repeater service business at 800 megahertz.  
8 Does he not?

9 A Yes.

10 Q That is made up of a number of different stations.  
11 Some licensed to him. Correct?

12 A Yes.

13 Q Some of them are the managed stations that are  
14 licensed to you. But through this arrangement with you, on  
15 which he has capacity. Correct?

16 A That's correct.

17 Q Are there other stations that he might sell  
18 repeater service on that are also not licensed to him?

19 A Yeah.

20 Q So, these repeaters cover a number of different  
21 channels through various different locations. Correct?

22 A That's correct.

23 Q Is it not also true when a customer comes in  
24 frequently, they may already have their own radios, because  
25 they are maybe coming over from another service provider?



1           A     Very frequently.

2           Q     And so, another factor might be what channels the  
3 customers are already set to operate on. Correct?

4           A     Yes.

5           Q     So, the process, if I am understanding it, is one  
6 of from the various channels that are available to Mr. Kay,  
7 assuming the customers are appropriate for 800 megahertz to  
8 start with, from the various channels available to him from  
9 whatever source, either licensed to him directly or under  
10 one of these management or capacity arrangements, or resale  
11 arrangements or whatever, putting together a combination of  
12 repeater locations and channels that meet that particular  
13 customer's needs?

14          A     Yes. The whole process is driven by the customer.

15          Q     Sometimes that would involve some of your  
16 stations, and sometimes it won't?

17          A     That's correct.

18          Q     I want to get some clarification about Exhibit 26.  
19 If you know, was the \$20,000 treated as just normal income,  
20 or would it have been treated as some sort of capital gain?

21          A     It was treated as normal income.

22          Q     So, your belief is, it is reflected in this  
23 \$192,000 figure, and not somewhere else in here?

24          A     Oh, yeah. I got really stuck at the end of the  
25 year paying taxes.

1 Q There were some questions about Mr. Kay referring  
2 customers to you. I think it was obvious in your follow-up  
3 response that you were talking about customers for your UHF  
4 repeater service. Correct?

5 A I'm sorry. I lost the train of thought.

6 Q Mr. Schauble just asked you about Mr. Kay  
7 frequently referring customers to you?

8 A Oh, yeah.

9 Q By that, you are talking primarily about customers  
10 for your UHF repeater service?

11 A Yes.

12 Q Do you also refer customers to Mr. Kay?

13 A Yes.

14 Q Would you say it is equal? Does he refer to you  
15 more often? Do you refer to him more often?

16 A Well, he's got several salesman and a larger  
17 business. So, more often than not, I'm referring -- excuse  
18 me. He's referring customers to me that I'm referring  
19 customers to him.

20 Q So do you think he refers to you a little more  
21 often?

22 A In this last year or so, yes. I've kind of got a  
23 couple salesman to sell one of my unique services that he  
24 does not provide.

25 Q Do other people with whom you have relationships

1 appropriate.

2 Q Makes financial sense to go ahead and use the same  
3 kind of equipment that he is already using?

4 A Yes. Definitely.

5 MR. KELLER: No further questions, Your Honor.

6 JUDGE FRYSIK: All right. Mr. Sobel, thank you  
7 very much. You are excused.

8 THE WITNESS: Thank you, Your Honor.

9 (Witness was excused.)

10 JUDGE FRYSIK: You need a break?

11 MR. SCHAUBLE: No. I think we are ready to start  
12 with Mr. Kay.

13 JUDGE FRYSIK: All right. Is Mr. Kay here?

14 MR. SCHAUBLE: Yes.

15 MR. FENSKE: Just as a preliminary matter, so the  
16 Court is aware, we had an informal discussion before we left  
17 the room concerning Mr. Kay's medical condition and any  
18 medicine he may be on. To the extent you or anybody else  
19 wants to inquire, that perhaps it may be necessary, I make  
20 the statement simply because the informal conclusion that we  
21 reached was that Mr. Kay, and he can certainly speak for  
22 himself, that he does not think he is going to be in any  
23 different shape tomorrow morning than he is right now, in  
24 terms of his medical condition.

25 I just make everybody aware of that, and we might

1 in the industry, sometimes refer customers to you?

2 A Yeah.

3 Q So, again, is it customer driven? What determines  
4 when you might refer a customer to Mr. Kay or someone else,  
5 rather than serve that customer yourself?

6 A It's driven by the customer. I'll use taxicabs,  
7 for example, because they're the worst clients. They devour  
8 a channel by using it continuously, relentlessly. And if  
9 you place a large taxicab company on a particular frequency,  
10 you limit your ability to put your own customers on it.  
11 Thus, make some more money on the channel.

12 If you do that to a channel, you have to watch the  
13 loading situation, so you don't fall out of compliance. And  
14 frankly, you know, its ability or willingness of the  
15 customer to pay the going rate for that type of usage and  
16 repeater. That's an example of where \$12 a month does not  
17 cut it.

18 Q But the process of referring customers back and  
19 forth is not a one way street. It works both ways with you  
20 and Mr. Kay. Correct?

21 A That's right. In fact, I could refer a customer  
22 to Mr. Kay, and he could turn around and refer it to  
23 somebody else.

24 Q That was going to be my second point. It is also  
25 not a practice that is limited between you and Mr. Kay. It

1 is between you and others and between Mr. Kay and others, as  
2 well.

3 A Yep.

4 Q The last question or line of question I have, has  
5 to do with the equipment selection. When you decided to get  
6 involved in the 800 megahertz repeater business, Mr. Kay was  
7 already involved in the business. Was he not?

8 A Yes.

9 Q He had already certain types of equipment  
10 installed. Did he not?

11 A Yes.

12 Q You testified yesterday that you might have or  
13 could have, had you so chosen, pursued this business on the  
14 same basis that you do your UHF repeater business. Correct?

15 A Yes.

16 Q Even had you done it, is it still likely that you  
17 would have leased some common stations with Mr. Kay?

18 A Yes.

19 Q Would that have had any impact on your choice of  
20 equipment?

21 A Yes.

22 Q My question is, was not the choice of equipment,  
23 more or less a dictated choice, once you decided you wanted  
24 to go into 800 megahertz at these particular locations?

25 A It's driven by a situation that makes it

1 need to take appropriate measures such as more breaks or  
2 things of that nature. Again, it is just to advise the  
3 Court of the situation.

4 MR. KNOWLES-KELLETT: Your Honor, this whole thing  
5 arose that if we are going to run into tomorrow if Mr. Kay  
6 would be better tomorrow, the Bureau would have no objection  
7 to proceeding tomorrow. Mr. Kay said that his endurance may  
8 be down, and it might be better to break it into two  
9 sessions, if necessary.

10 MR. SCHAUBLE: If, and I emphasis, if necessary.

11 JUDGE FRYSIAK: Well, how long are you going to  
12 take?

13 MR. SCHAUBLE: I do not think it is going to be  
14 that long, Your Honor. Maybe an hour and a half.

15 JUDGE FRYSIAK: Are you good for an hour and a  
16 half?

17 THE WITNESS: I'll give it a shot at it.

18 MR. FENSKE: I thought it was necessary to advise  
19 the Court. That's all.

20 MR. SCHAUBLE: I did intend to ask just a few  
21 preliminary questions just to ensure that there is no  
22 problem in terms of Mr. Kay being able to give clean  
23 testimony, so to speak.

24 JUDGE FRYSIAK: We are not putting you at any  
25 risk?

1 THE WITNESS: No. I'm on heavy painkillers is  
2 all. I'll take my best shot at it.

3 JUDGE FRYSIK: All right. Let's try it. Any  
4 time you feel poor --

5 THE WITNESS: I'll let you know.

6 JUDGE FRYSIK: Before you sit down, let me take  
7 your oath.

8 Whereupon,

9 JAMES A. KAY, JR.

10 having been first duly sworn, was called as a  
11 witness herein and was examined and testified as follows:

12 JUDGE FRYSIK: All right, Mr. Kay.

13 MR. FENSKE: Your Honor, one other preliminary  
14 matter. Perhaps this is a question directed to the Bureau  
15 how they intend to treat Mr. Kay as a witness.

16 MR. SCHAUBLE: Your Honor, if counsel is asking  
17 what I think he is asking, I think we intend to treat Mr.  
18 Kay as an adverse witness.

19 MR. FENSKE: To the extent that has already been  
20 ruled upon, that is acceptable to the Court.

21 JUDGE FRYSIK: That he is an adverse witness?

22 MR. FENSKE: That is acceptable. Right.  
23 Obviously, that impacts the way the questions are asked.  
24 That is what I am getting at.

25 JUDGE FRYSIK: It is acceptable to me.

1 MR. FENSKE: Okay. If the Court has already made  
2 a ruling, then let's proceed. I just wanted to make clear  
3 that that was everybody's understanding.

4 MR. KELLER: As long as we are getting  
5 clarifications out of the way, is it your intention that the  
6 procedure here is going to be the same as the procedure was  
7 with Mr. Sobel?

8 MR. SCHAUBLE: We are the only party who has  
9 called Mr. Kay as a direct case witness.

10 JUDGE FRYSIK: All right. You may proceed. Mr.  
11 Kay, would you state your full name and address for the  
12 record?

13 THE WITNESS: James A. Kay. K-A-Y, Jr. My  
14 business address is 15525 Cabrito Road. C-A-B-R-I-T-O Road.  
15 That's in Van Nuys. V-A-N N-U-Y-S, California.

16 JUDGE FRYSIK: All right. Thank you. All right,  
17 Mr. Schauble.

18 MR. SCHAUBLE: Thank you, Your Honor.

19 DIRECT EXAMINATION

20 BY MR. SCHAUBLE:

21 Q Mr. Kay, notwithstanding the medication you are  
22 on, are you fully able to recall facts and testify  
23 truthfully today?

24 A I'm just a little bit drowsy, but I'll certainly  
25 do my best.



1 Q Is there any reason to be concerned that this  
2 medication is interfering with your ability to remember  
3 facts?

4 A Just slows me down a little bit, but no reason I  
5 shouldn't be able to remember everything. If I don't recall  
6 something, I will sure let you know.

7 Q Mr. Kay, you have been involved professionally in  
8 the radio field since 1972 or 1973. Correct?

9 A I started dabbling in radios and operating a radio  
10 television service in those years.

11 Q You currently provide commercial two-way radio  
12 service to customers. Correct?

13 A Yes.

14 Q How long have you been involved in commercially  
15 providing two-way radio service?

16 A I assume you mean as providing repeater service,  
17 or the selling of two-way radios?

18 Q How long have you been involved in providing  
19 repeater service?

20 A Started somewhere in the early '80s. '83, '84,  
21 85, in that area.

22 Q You also sell, install and repair radios.  
23 Correct?

24 A My company does. Yes.

25 Q You design radio systems. Correct?

1           A     We design a configuration of systems to meet the  
2 customer's needs.

3           Q     You provide consulting services to customers with  
4 respect to radios. Correct?

5           A     I guess you can say that. By that, I mean they  
6 ask us for radio assistance, we give them our best  
7 recommendations as to what would meet their needs.

8           Q     You or your company also install repeaters.  
9 Correct?

10          A     Yes.

11          Q     You have known Marc Sobel for about 20 years.  
12 Correct?

13          A     Correct.

14          Q     When you first met him, he worked in an  
15 electronics store called Sandy's Electronics. Correct?

16          A     That's correct.

17          Q     You were a customer there?

18          A     Yes.

19          Q     Is it also correct that you and Mr. Sobel were  
20 both active in citizens band radio in the 1970s?

21          A     Yes.

22          Q     The two of you became involved together in  
23 activities relating to citizens band radio?

24          A     We did.

25          Q     You and Mr. Sobel have been friends from the 1970s

1 to the present?

2 A That's correct.

3 Q You and Mr. Sobel have repaired equipment, shared  
4 leases and helped each other with technical problems for  
5 more than a decade. Correct?

6 A Yes.

7 Q Mr. Sobel has worked for you as a contractor for  
8 at least ten years. Correct?

9 A Yes.

10 Q In that regard, he maintains, installs and repairs  
11 your repeaters and other equipment. Correct?

12 A Amongst many of the things that he does for me.

13 Q What other sorts of things does he do for you?

14 A I've had him -- He will locate parts, order parts  
15 for repeaters. He'll obtain technical information from  
16 manufacturers on them. He has researched out interference  
17 problems that are occurring to my systems. When we have a  
18 real trouble problem with a customer who's having difficulty  
19 that my regular staff is unable to solve, I'll call in Marc  
20 because of his far higher degree of education and knowledge.

21 I consider him my equal in the radio business.

22 Unfortunately, I'm often times too busy to take care of  
23 customers directly, so I'll call him in as a better expert  
24 to solve the really tough problems.

25 Q Would it be correct to say that you might ask him

1 to take care of these difficult customer problems once or  
2 twice a month on average?

3 A It might happen not in a month. It may happen  
4 once a month. It may happen twice a month. It's sporadic.  
5 It's not a regular type thing. He might get called two or  
6 three times out in a month, and not have to do anything for  
7 three months. It's on a purely as-needed basis.

8 Q Would it be accurate to say that Mr. Sobel is the  
9 person you turn to when you have a difficult or complicated  
10 technical problem that you won't or do not have the time to  
11 handle yourself?

12 A By and large, yes.

13 Q You have given Mr. Sobel the first calls for work  
14 you need as a contract technician. Correct?

15 A By and large, yes. There are some of my stations  
16 where we have another contractor who takes care of it.

17 Q Which stations are those?

18 A Well, this fellow who lives out in the Riverside  
19 area that we'll use him primarily for Snow Peak and Heaps  
20 Peak or Palvika Peak, because they're much closer to him  
21 than they are to Marc. But Marc services those sites, as  
22 well.

23 Q Okay.

24 A It depends what it is. If it's a blown amplifier  
25 or something, often times I'll send the Riverside contractor

1 up just to swap it out.

2 Q If it is something more complicated or difficult,  
3 you might ask Mr. Sobel to --

4 A Marc is by far the better technician.

5 Q Mr. Sobel has this first call to work both on  
6 stations you own and stations you manage. Correct?

7 MR. FENSKE: Your Honor, I just want to clarify.  
8 I do not know if that was the testimony. I think he has  
9 already answered that question. First call, I do not  
10 believe is an accurate characterization for every single  
11 instance.

12 JUDGE FRYSIK: Well, he is asking whether it is  
13 correct. He can explain.

14 THE WITNESS: By and large, we'll call Marc first  
15 on whether it's one of the stations licensed to me, whether  
16 it's one of the managed stations, or whether it's a station  
17 that's licensed to a customer where we're providing  
18 community or people, because there are a number of those as  
19 well. Marc is basically my hilltop repairman.

20 BY MR. SCHAUBLE:

21 Q How many 800 megahertz stations do you own?

22 A A lot. Frankly, I haven't counted. Are you  
23 talking licenses or number of physical repeaters?

24 Q Let's speak in terms of licenses.

25 A Well, the Commission said I had a 152 licenses,

1 and I believe approximately 50-something of those, may have  
2 been in the high 40s, were 800 megahertz.

3 Q Approximately how many 800 megahertz repeaters are  
4 operating on stations that are licensed to you?

5 A Probably around 75. If I had that list from when  
6 you sent the C.I.B. guys out to inspect all my stations, I'd  
7 be able to tell you exactly.

8 Q That is fine. How many 800 megahertz repeaters do  
9 you own, but are used in connection with stations that you  
10 manage, as opposed to stations that are licensed to you?

11 A Are you referring to the managed stations of Mr.  
12 Sobel's?

13 Q In total. Stations that you manage, whether they  
14 are licensed to Mr. Sobel or anybody else. Include  
15 community repeaters.

16 JUDGE FRYSIK: Pardon?

17 MR. SCHAUBLE: I would ask the witness to include  
18 community repeaters.

19 THE WITNESS: Well, there's at least one for each  
20 license, and some of them have two stations or even three on  
21 them. Offhand, I would say similar -- He's got what? Like  
22 15 or 16. Probably, around 25 to 30.

23 BY MR. SCHAUBLE:

24 Q How many of those, if any, would be community  
25 repeaters?

1           A     Offhand, I remember one for sure. There may be  
2 more, but I don't recollect offhand.

3           Q     Are some of the 800 megahertz stations that you  
4 own or manage, trunked stations? And by trunked, I am  
5 referring to multi-channel systems.

6           A     Are some of the ones I own or manage trunked?

7           Q     Yes.

8           A     Yes.

9           Q     Okay. Approximately how many licenses that you  
10 own or in connection with stations you manage, are for trunk  
11 stations?

12           MR. FENSKE: Your Honor, I am going to object to  
13 this line of questioning, on the basis of relevance. I  
14 guess we are focusing here on Sobel's management agreement,  
15 among other issues. This line of questioning has nothing to  
16 do with the issues designated.

17           JUDGE FRYSIK: I took these to be preliminary --

18           MR. SCHAUBLE: It is a matter of background, Your  
19 Honor, the witness's experience and knowledge in the  
20 industry.

21           MR. FENSKE: My concern is the other proceeding  
22 going on here. Background questions I do not have a problem  
23 with. But my concern is the other proceeding that we have.

24           JUDGE FRYSIK: Your concern is what?

25           MR. FENSKE: The Kay proceeding, which is

1 presently stayed. 94-147, I believe the number is.  
2 Background questions I can understand, but I do not know if  
3 these are necessarily background questions. They are  
4 getting into stations and licenses, et cetera. And I am  
5 trying to focus what we are here for, and that is Mr.  
6 Sobel's hearing and those issues.

7 MR. KNOWLES-KELLETT: Your Honor, we are about to  
8 ask a line of questioning relating to Kay's employees, Kay's  
9 staff, Kay's business, and the scope of it. This line of  
10 questioning is not trying to get at facts relating to some  
11 other proceeding. This line of questioning is designed  
12 solely to explain that this man operates a huge radio  
13 business. And that is what we are trying to get at.

14 JUDGE FRYSIK: What does that have to do with our  
15 case?

16 MR. KNOWLES-KELLETT: The employees. Who hires  
17 and fires employees. And as Mr. Sobel testified, if Mr. Kay  
18 who has all these employees.

19 MR. SCHAUBLE: What we want to do, Your Honor, is  
20 get a complete record in terms of who these people are and  
21 what they do. Particularly, with respect to the management  
22 agreement stations. I think the testimony will show that  
23 what these people do, they do generally both for stations  
24 owned and managed by Mr. Kay, without any real distinction.

25 JUDGE FRYSIK: All right. You may proceed.



1 THE WITNESS: What was your question again?

2 BY MR. SCHAUBLE:

3 Q The question, Mr. Kay, was approximately how many  
4 of the stations that you own or manage are trunk stations?

5 A Repeaters or licenses?

6 Q Licenses.

7 A Well, let's see. I have seven in my own name, and  
8 one that's a partnership.

9 MR. KNOWLES-KELLETT: We are done with the line of  
10 questioning, Your Honor.

11 JUDGE FRYSIK: Okay.

12 BY MR. SCHAUBLE:

13 Q Mr. Kay, how many 800 megahertz stations do you  
14 currently manage for Marc Sobel?

15 A I believe it's 15.

16 Q Just in terms of background, who do you manage  
17 stations for, other than Marc Sobel?

18 A A gentleman by the name of Jerry Gayles, and the  
19 Telephone Connection Incorporated. I believe that's all. I  
20 gave you copies of all those agreements a long time ago.

21 Q You do business under the name Lucky's Two-Way  
22 Radios, Inc. Correct?

23 A Did you say Inc. on the end?

24 Q Excuse me. Lucky's Two-Way Radios.

25 A Correct.